Valuable New Options Will Benefit Everyone

1985 is the beginning of a clearer, brighter future for our industry. You, the customer, will have opportunities to gain the most from the changes resulting from the partial deregulation of the telephone industry and from the divestiture of the American Telephone & Telegraph Co.

Our primary concern has been to help you understand how industry changes are affecting you, and more importantly, to see that you continue to receive the efficient reliable, reasonably-priced service you have taken for granted for many years.

Today we serve 96 percent of all American homes and businesses, and nothing will change our primary goal of providing basic, reliable telephone service to every household and business desiring it.

Warren B. French Jr.
USTA Chairman

VITAL FACTS ABOUT THE COMMUNICATIONS INDUSTRY

- Total companies now number 1,440 with 736,505 employees.
- Access Lines now in service number 114,348,800.
- Investment in plant and facilities is now $193.8 billion and total plant investment is the equivalent to $263,107 per employee. About $17,912,681 was spent in 1984 for upgrading service and facilities; and the estimated amount for 1985 will be about $19,142,213,000.

The Top 100

(Largest Companies Reporting to USTA, Including Holding Companies)

In Order of Access Lines As of January 1, 1985	Access Lines	Operating Revenues
1. Bell Atlantic Corp., *Philadelphia, Pennsylvania* §•	14,677,000	$7,968,300,000
2. Ameritech Corp., *Chicago, Illinois* §•	14,337,000	8,346,800,000
3. BellSouth Corp., *Atlanta, Georgia* §•	14,038,800	9,143,634,000
4. NYNEX Corp., *New York, New York* §•	13,200,000	9,507,000,000
5. Pacific Telesis Group, *San Francisco, California* §•	11,306,900	7,697,051,000
6. US West, Inc., *Englewood, Colorado* §•	10,871,000	6,909,300,000
7. Southwestern Bell Corp., *St. Louis, Missouri* §•	10,648,000	6,968,700,000
8. GTE Corp., (U.S. Only), *Stamford, Conn.* •	10,230,000	7,729,636,000
9. United Telephone System, Inc., *Kansas City, Missouri* •	3,140,400	2,145,166,600
10. Continental Telecom Inc., (U.S. Only), *Atlanta, Georgia* •	2,196,700	1,562,900,000
11. Southern New England Telephone Co., *New Haven, Connecticut* §•	1,616,800	1,273,400,000
12. Centel Corp., *Chicago, Illinois* •	1,267,600	785,515,000
13. ALLTEL Corp., *Hudson, Ohio* •	884,700	490,838,000
14. Cincinnati Bell, *Cincinnati, Ohio* •	633,000	448,284,700
15. Puerto Rico Telephone Co., *San Juan, Puerto Rico*	547,500	352,431,800
16. Rochester Telephone Corp., *Rochester, New York* •	454,800	295,705,700
17. Century Telephone Enterprises, Inc., *Monroe, Louisiana* •	200,900	111,011,000
18. Lincoln Telephone & Telegraph Co., *Lincoln, Nebraska**	200,100	126,567,000
19. Telephone and Data Systems, Inc., *Chicago, Illinois* †	173,600	93,520,000
20. Pacific Telecom, inc., *Vancouver, Washington* *	164,600	122,909,000
21. Commonwealth Telephone Co., *Dallas, Pennsylvania* *	144,700	75,349,700
22. Anchorage Telephone Utility, *Anchorage, Alaska*	112,300	102,365,000
23. Citizens Utilities Co., *Stamford, Connecticut*	79,700	97,593,000
24. Illinois Consolidated Telephone Co., *Mattoon, Illinois*	73,600	52,524,000
25. North State Telephone Co., *High Point, North Carolina*	72,700	36,644,400
26. Concord Telephone Co., *Concord, North Carolina*	64,300	24,188,000
27. Puerto Rico Communications Authority, *San Juan, Puerto Rico*	61,100	34,155,300
28. C P National Corporation, *Concord, California* •	57,100	73,929,000
29. Lufkin Telephone Exchange, Inc., *Lufkin, Texas*	55,800	38,683,300
30. Roseville Telephone Co., *Roseville, California*	50,900	35,524,000
31. North-West Telephone Co., *Tomah, Wisconsin* *	48,500	26,034,100
32. Universal Telephone Co., *Milwaukee, Wisconsin* *	41,900	21,006,900
33. Virgin Islands Telephone Corp., *St. Thomas, Virgin Islands*	37,200	35,362,000
34. Pioneer Telephone Co-op., Inc., *Kingfisher, Oklahoma*	34,500	23,364,000
35. North Pittsburgh Telephone Co., *Gibsonia, Pennsylvania*	34,400	23,724,000
36. Denver and Ephrata Tel. & Tel. Co., *Ephrata, Pennsylvania*	32,400	16,119,500
37. Conestoga Telephone Company, *Birdsboro, Pennsylvania*	31,400	15,353,100
38. Standard Telephone Co., *Cornelia, Georgia*	31,000	18,459,242
39. Farmers Telephone Co-op., Inc., *Kingstree, South Carolina*	30,100	16,254,500
40. Mankato Citizens Telephone Co., *Mankato, Minnesota*	29,900	16,263,300
41. Horry Telephone Co-op., Inc., *Conway, South Carolina*	28,300	11,972,800
42. Rock Hill Telephone Co., *Rock Hill, South Carolina*	25,900	18,568,800
43. Chillicothe Telephone Co., *Chillicothe, Ohio*	24,200	15,164,000
44. Matanuska Telephone Association Inc., *Palmer, Alaska*	23,900	20,403,900
45. Clifton Forge-Waynesboro Tel. Co., *Staunton, Virginia*	23,800	15,609,800
46. Fairbanks Municipal Utilities System, *Fairbanks, Alaska*	23,000	23,000,000
47. Sugar Land Telephone Co., *Sugar Land, Texas*	22,400	18,217,200
48. Twin Lakes Telephone Co-op. Corp., *Gainesboro, Tennessee*	20,100	7,128,000
49. Northern States Power Co., *Minot, North Dakota*	20,100	11,000,000
50. Lexington Telephone Co., Inc., *Lexington, North Carolina*	20,000	11,500,000

§ Formerly wholly or partially owned by AT&T
• Company or parent listed on N.Y. Stock Exchange
† American Stock Exchange
* Over-the-Counter market

In Order of Access Lines As of January 1, 1985	Access Lines	Operating Revenues
51. Wood County Telephone Co., *Wisconsin Rapids, Wisconsin*	20,000	9,118,000
52. Heins Telephone Co., *Sanford, North Carolina*	19,900	9,520,300
53. Hargray Telephone Co., Inc., *Hilton Head Island, S.C.*	19,500	14,894,200
54. Ben Lomand Rural Telephone Co-op., Inc., *McMinnville, Tennessee*	19,500	7,625,200
55. East Ascension Telephone Co., Inc., *Gonzales, Louisiana*	19,400	11,249,600
56. Eastex Telephone Co-op., Inc., *Henderson, Texas*	19,000	10,910,800
57. Smithville Telephone Co., Inc., *Ellettsville, Indiana*	18,800	6,282,400
58. St. Joseph Telephone & Telegraph Co., *Port St. Joe, Florida*	18,700	15,252,100
59. Grand River Mutual Telephone Corp., *Princeton, Missouri*	18,500	8,205,000
60. San Marcos Telephone Co., Inc., *San Marcos, Texas*	18,200	11,814,100
61. Taconic Telephone Corp., *Chatham, New York*	18,000	8,610,500
62. Gulf Telephone Co., *Foley, Alabama*	17,900	10,748,900
63. South Central Rural Tel. Co-op. Corp., *Glasgow, Kentucky*	17,600	8,250,000
64. CC&S Systems Inc., *Jackson, Michigan*	15,600	5,400,000
65. Urban Telephone Corp., *Clintonville, Wisconsin*	15,600	5,614,100
66. Fort Bend Telephone Co., *Rosenberg, Texas*	15,400	11,707,200
67. Enterprise Telephone Co., *New Holland, Pennsylvania*	15,000	7,831,000
68. Highland Telephone Co-op, Inc., *Sunbright, Tennessee*	14,900	5,632,300
69. Lancaster Telephone Co., *Lancaster, South Carolina*	14,500	7,855,800
70. Missouri Telephone Co., *Columbia, Missouri*	14,500	6,145,400
71. Brandenburg Telephone Co., *Brandenburg, Kentucky*	14,300	7,787,300
72. Ogden Telephone Co., *Spencerport, New York*	14,300	4,960,000
73. Millington Telephone Co., Inc., *Millington, Tennessee*	14,200	6,772,400
74. Warwick Valley Telephone Co., *Warwick, New York*	13,600	7,655,300
75. Shenandoah Telephone Co., *Edinburg, Virginia*	13,400	7,165,500
76. Craw-Kan Tel. Co-op. Assn., Inc., *Girard, Kansas*	13,300	7,638,500
77. Kerrville Telephone Co., *Kerrville, Texas*	13,200	8,188,943
78. Garden Valley Telephone Co., *Erskine, Minnesota*	13,100	6,205,600
79. Rhinelander Telephone Co., *Rhinelander, Wisconsin*	12,800	6,143,300
80. Northwestern Indiana Telephone Co., *Hebron, Indiana*	12,700	6,006,900
81. Harrisonville Telephone Co., *Waterloo, Illinois*	12,600	6,812,900
82. Ellensburg Telephone Co., Inc., *Ellensburg, Washington*	12,600	8,809,800
83. Mid-Plains Telephone, Inc., *Middleton, Wisconsin*	12,600	7,323,600
84. Woodbury Telephone Co., *Woodbury, Connecticut*	12,300	7,723,300
85. Farmers Telephone Co-op., Inc., *Rainsville, Alabama*	12,300	5,185,000
86. North Central Telephone Co-op., Inc., *Lafayette, Tennessee*	12,100	4,355,100
87. Guadalupe Valley Telephone Co-op., Inc., *New Braunfels, Texas*	12,000	8,670,500
88. East Ottertail Telephone Co., *Perham, Minnesota*	11,900	5,177,700
89. Souris River Tel. Mutual Aid Co-op., *Minot, North Dakota*	11,600	6,821,100
90. Ace Telephone Association, *Houston, Minnesota*	11,500	6,500,000
91. Southland Telephone Co., *Atmore, Alabama*	11,300	5,851,100
92. La Fourche Telephone Co., *Larose, Louisiana*	11,300	10,917,000
93. Citizens Telephone Co., *Brevard, North Carolina*	11,200	5,741,400
94. Home Telephone Co., Inc., *Moncks Corner, South Carolina*	11,100	7,142,700
95. Star Telephone Municipal Corp., *Clinton, North Carolina*	10,800	3,975,000
96. DeKalb Telephone Corp., Inc., *Alexandria, Tennessee*	10,700	4,047,400
97. Chester Telephone Co., *Chester, South Carolina*	10,500	5,249,500
98. Pioneer Telephone Association, Inc., *Ulysses, Kansas*	10,500	7,133,900
99. Golden West Telecommunications Co-op., *Wall, South Dakota*	10,400	9,016,700
100. United Telequipment Corp., *Monroe, Wisconsin*	10,100	6,749,000

§ Formerly wholly or partially owned by AT&T
● Company or parent listed on NY Stock Exchange
† American Stock Exchange
* Over-the-Counter market

TELEPHONE CONSTRUCTION EXPENDITURES

($000 Omitted)

1984	$17,913,000
1983	17,539,000
1982	20,569,000
1981	22,020,000
1980	21,223,000
1979	19,685,000
1978	16,925,000
1977	14,227,000
1976	12,187,000
1975	11,467,000
1974	12,327,000

ACCESS LINES BY STATE
December 31, 1984

State	Companies	Access Lines
Alabama	31	1,529,300
Alaska	26	231,500
Arizona	6	1,482,400
Arkansas	29	883,300
California	22	13,972,100
Colorado	25	1,666,200
Connecticut	3	1,616,000
District of Columbia	1	782,400
Delaware	1	324,000
Florida	13	5,715,900
Georgia	33	2,589,000
Hawaii	1	458,100
Idaho	12	411,000
Illinois	57	5,820,400
Indiana	49	2,312,400
Iowa	154	1,335,200
Kansas	40	1,158,800
Kentucky	18	1,382,100
Louisiana	13	1,855,300
Maine	18	496,400
Maryland	2	2,294,400
Massachusetts	3	2,928,100
Michigan	43	4,393,500
Minnesota	90	2,076,700
Mississippi	21	863,500
Missouri	44	2,339,800
Montana	17	374,900
Nebraska	44	777,800
Nevada	6	473,300
New Hampshire	11	470,100
New Jersey	6	4,276,500
New Mexico	10	600,800
New York	41	9,372,100
North Carolina	29	2,656,300
North Dakota	22	335,300
Ohio	40	4,866,000
Oklahoma	36	1,537,400
Oregon	35	1,235,600
Pennsylvania	48	5,753,800
Rhode Island	1	437,100
South Carolina	30	1,283,200
South Dakota	30	308,000
Tennessee	27	2,053,500
Texas	69	7,746,900
Utah	11	656,700
Vermont	8	245,000
Virginia	21	2,662,200
Washington	24	2,107,900
West Virginia	9	733,800
Wisconsin	98	2,231,700
Wyoming	12	235,100
Total	**1,440**	**114,348,800**

*GENERAL COMPOSITE SUMMARY OF REPORTING COMPANIES

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Number of Reporting Companies	655	24	631	678	754
Number of Exchanges	16 298	7 314	8 984	9 095	9 661
Number of Access Lines	113 555 912	91 486 998	22 068 914	21 076 649	21 145 593
Telephone Plant in Service**	$186 151 202	144 057 977	42 093 225	40 463 443	$38 847 423
Depreciation Reserve**	$ 45 748 072	32 883 715	12 864 357	11 552 603	$10 219 593
Funded Debt — Bonds**	13 916 899	5 200 124	8 716 775	$8 881 749	8 942 146
Funded Debt — Other**	36 308 346	32 469 743	3 838 603	4 134 755	4 352 231
Preferred Stock**	1 261 351	539 609	721 742	763 104	809 705
Common Stock**	45 593 826	38 866 088	6 727 738	6 553 113	6 391 737
Retained Earnings**	17 547 258	11 499 649	6 047 609	5 506 556	5 004 128
Current Maturity on Long Term Debt and Short Term Notes**	3 339 046	2 801 831	537 215	667 203	810 563
Total Capitalization**	$117 966 726	91 377 044	26 589 682	26 506 480	$26 310 610

** (000 Omitted)

FINANCING BY REPORTING COMPANIES

($000 Omitted)

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Long Term Debt—Bonds	$ 94 623	—	94 623	158 288	$597 197
Debentures	410 040	400 000	10 040	877	16 052
Notes (Over 12 months)	263 230	119 200	144 030	204 464	351 909
Total	767 893	519 200	248 693	363 629	965 158
Preferred Stock	1 690	—	1 690	—	31 248
Common Stock	296 357	51 461	244 896	191 144	138 761
Total	298 047	51 461	246 586	191 144	170 009
Total Financing	1 065 940	570 661	495 279	554 773	1 135 167
Sold Publicly—Bonds	46 500	—	46 500	84 000	447 500
Debentures and Notes (Over 12 months)	400 000	400 000	—	1 416	269
Preferred Stock	—	—	—	—	30 000
Common Stock	37 318	18 600	18 718	5 506	493
Total	483 818	418 600	65 218	90 922	478 262
Sold Privately—Bonds	48 123	—	48 123	74 288	149 697
Debentures and Notes (Over 12 months)	273 270	119 200	154 070	203 925	367 692
Preferred Stock	1 690	—	1 690	—	1 248
Common Stock	259 039	32 861	226 178	185 638	138 268
Total	$582 122	152 061	430 061	463 851	$656 905

COMPOSITE BALANCE SHEET OF REPORTING COMPANIES

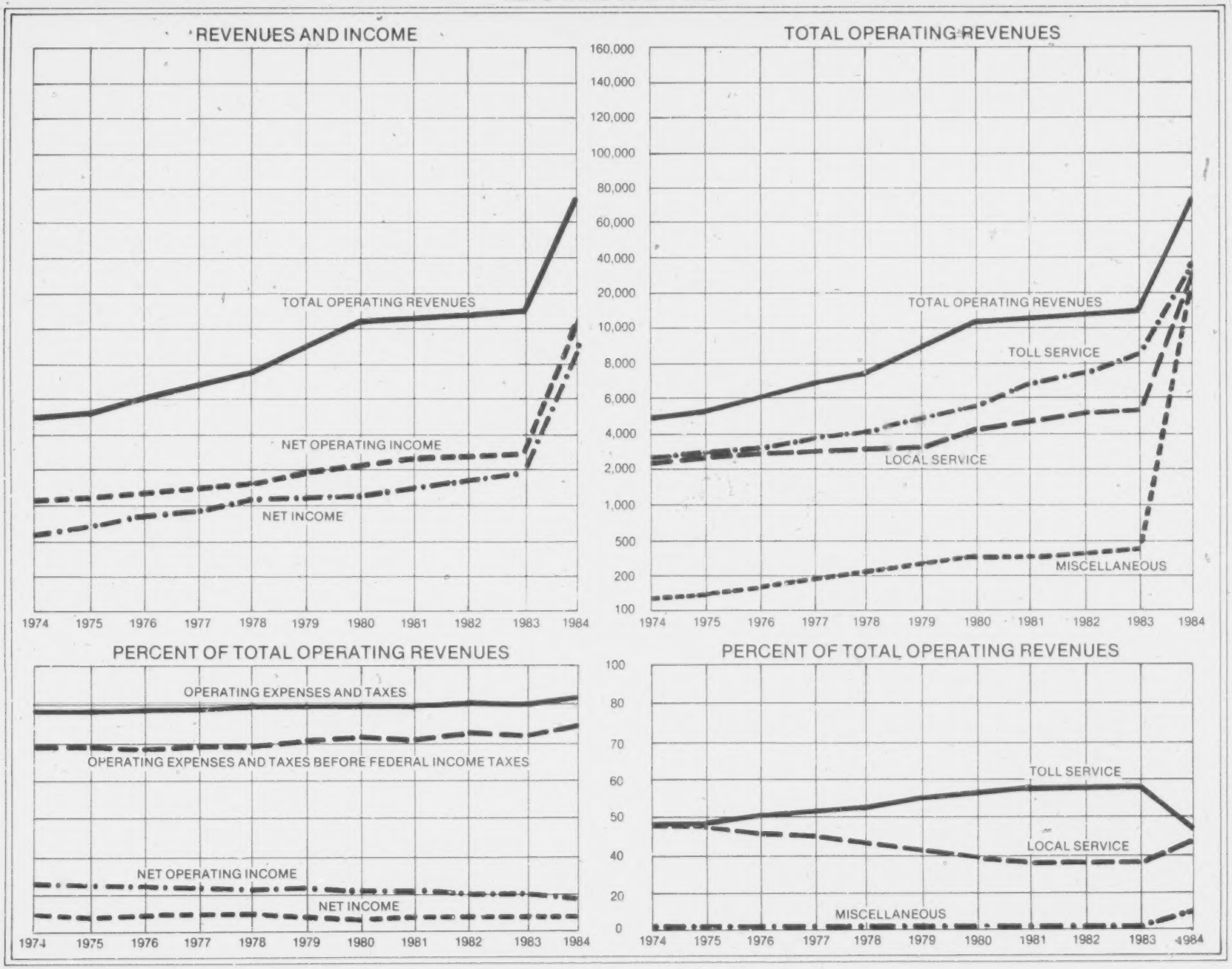
($000 Omitted)

ASSETS	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Investments					
Telephone Plant (see page 20)	$191 919 316	147 929 405	43 989 911	42 341 015	$40 548 413
Less: Depreciation and Amort. Reserves	45 748 072	32 883 715	12 864 357	11 552 603	10 219 593
	146 171 244	115 045 690	31 125 554	30 788 412	30 328 820
Investments and Funds	816 345	330 822	485 523	668 844	593 234
Advances to Affiliated Companies	656 292	306 865	349 427	57 959	40 879
Total Investments	147 643 881	115 683 377	31 960 504	31 515 215	30 962 933
Current Assets					
Cash (Including Cash Funds)	2 022 098	1 125 644	896 454	723 402	543 097
Accounts Receivable (Less Reserve)	12 771 938	10 530 412	2 241 526	1 676 219	1 572 106
Materials and Supplies	1 571 297	1 163 935	407 362	368 181	378 860
All Other	1 848 162	1 710 186	137 976	85 438	54 283
Total Current Assets	18 213 495	14 530 177	3 683 318	2 853 240	2 548 346
Prepaid Accounts and Deferred Charges	2 166 608	1 774 459	392 149	375 164	375 971
TOTAL ASSETS	$168 023 984	131 988 013	36 035 971	34 743 619	$33 887 250
Ratio Current Assets to Current Accrued Liabilities	88.9%	88.2	91.5	80.5	74.0%
Materials and Supplies per Access Line	$13.83	12.72	18.46	17.47	$17.92

COMPOSITE BALANCE SHEET OF REPORTING COMPANIES

($000 Omitted)

LIABILITIES	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Capital Stock and Surplus					
Preferred Stock	$ 1 261 351	539 609	721 742	763 104	$ 809 705
Common Stock	39 787 499	34 301 674	5 485 825	5 238 737	5 058 180
Other Capital (Including Premium on Capital Stock)	5 812 555	4 564 514	1 248 041	1 323 597	1 340 487
Retained Earnings (Unappropriated and reserved)	17 547 258	11 499 649	6 047 609	5 506 556	5 004 128
Total	64 408 663	50 905 446	13 503 217	12 831 994	12 212 500
Less: Capital Stock Discount and Expense	6 228	100	6 128	9 221	6 929
Total	64 402 435	50 905 346	13 497 089	12 822 773	12 205 571
Long Term Debt					
Bonds	13 916 899	5 200 124	8 716 775	8 881 749	8 942 145
Debentures, Long Term Notes (Over 12 months)	35 823 790	32 235 083	3 588 707	3 830 974	4 138 867
Other Long Term Debt	484 556	234 660	249 896	303 781	213 464
Total	50 225 245	37 669 867	12 555 378	13 016 504	13 294 476
Current and Accrued Liabilities					
Current Maturity on Long Term Debt	589 921	332 778	257 143	169 577	184 089
Bank Loans and other Short Term Notes	2 749 125	2 469 053	280 072	497 626	626 474
Accounts Payable	10 406 478	8 564 073	1 842 405	1 073 376	950 879
Accrued Taxes	2 201 662	1 637 666	563 996	570 329	590 752
All Other	4 548 065	3 464 475	1 083 590	1 231 187	1 091 428
Total	20 495 251	16 468 045	4 027 206	3 542 095	3 443 622
Unamortized Investment Credits	8 720 595	6 898 249	1 822 346	1 734 909	1 654 853
Accumulated Deferred Income Taxes—Accelerated Tax Depr.	22 508 634	18 685 146	3 823 488	3 401 981	3 059 996
Other Types of Deferred Income Taxes	483 378	383 436	99 942	69 782	70 095
Deferred Credits and Operating Reserves	1 188 446	977 924	210 522	155 575	158 637
TOTAL CAPITALIZATION AND LIABILITIES	$168 023 984	131 988 013	36 035 971	34 743 619	$33 887 250


REVENUES AND INCOME
TOTAL OPERATING REVENUES
NET OPERATING INCOME
NET INCOME
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
10,000
8,000
6,000
4,000
2,000
1,000
500
200
100
TOLL SERVICE
LOCAL SERVICE
MISCELLANEOUS
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
PERCENT OF TOTAL OPERATING REVENUES
OPERATING EXPENSES AND TAXES
OPERATING EXPENSES AND TAXES BEFORE FEDERAL INCOME TAXES
NET OPERATING INCOME
NET INCOME
100
80
70
60
50
40
20
0
TOLL SERVICE
LOCAL SERVICE
MISCELLANEOUS

COMPOSITE INCOME STATEMENT OF REPORTING COMPANIES

Including Percentage Relationships to Total Operating Revenue

($000 Omitted)

	1984 Total Industry Amount	%	1984 Bell Only Amount	%	1984 Indept. Only Amount	%	1983 Indept. Only Amount	%	1982 Indept. Only Amount	%
Total Operating Revenues										
Local Service	$31 890 200	43.52	26 143 415	45.18	5 746 785	37.30	5 524 596	38.61	$5 201 389	38.69
Network Access	22 057 466	30.10	17 175 116	29.68	4 882 350	31.70	—	—	—	—
Toll Service	12 300 592	16.79	9 036 890	15.62	3 263 702	21.19	8 346 439	58.33	7 874 259	58.57
Miscellaneous	7 521 535	10.27	5 922 794	10.23	1 598 741	10.38	598 869	4.18	526 246	3.91
Less: Uncollectibles	498 884	.68	410 649	.71	88 235	.57	160 517	1.12	156 645	1.17
Total	73 270 909	100.00	57 867 566	100.00	15 403 343	100.00	14 309 387	100.00	13 445 249	100.00
Operating Expenses and Taxes										
Maintenance	15 159 736	20.69	12 132 433	20.97	3 027 303	19.65	2 945 250	20.58	2 973 742	22.12
Depreciation	11 801 343	16.10	8 811 581	15.23	2 989 762	19.41	2 796 559	19.54	2 461 870	18.31
Traffic	2 828 434	3.86	2 226 707	3.85	601 727	3.91	577 450	4.04	583 259	4.33
Commercial	5 751 892	7.85	4 771 999	8.25	979 893	6.36	894 031	6.25	870 600	6.47
General Office Salaries and Exp.	5 192 705	7.09	4 095 364	7.08	1 097 341	7.12	1 010 697	7.06	946 804	7.04
Other Operating Expenses	7 067 892	9.65	5 893 489	10.18	1 174 403	7.62	1 082 301	7.56	978 602	7.28
Taxes Other Than Federal Income	6 175 372	8.43	5 066 879	8.75	1 108 493	7.20	1 040 092	7.27	945 886	7.04
Federal Income Taxes	5 811 058	7.93	4 484 738	7.75	1 326 320	8.61	1 085 857	7.59	938 077	6.98
Total	59 788 432	81.60	47 483 190	82.06	12 305 242	79.88	11 432 237	79.89	10 698 840	79.57
Net Operating Income	13 482 477	18.40	10 384 376	17.94	3 098 101	20.12	2 877 150	20.11	2 746 409	20.43
Other Income (Non-operating)	652 115	.89	383 044	.66	269 071	1.74	217 633	1.52	188 904	1.40
Income Available for Fixed Charges	14 134 592	19.29	10 767 420	18.60	3 367 172	21.86	3 094 783	21.63	2 935 313	21.83
Interest and Other Deductions										
Interest on Funded Debt	4 449 947	6.07	3 373 308	5.83	1 076 639	6.99	1 080 008	7.55	1 040 196	7.74
Interest—Other	373 134	.51	288 562	.50	84 572	.55	99 274	.70	140 876	1.05
Amort. of Debt Discount Premium and Net Expenses & Other Fixed Charges	28 373	.04	18 987	.03	9 386	.06	11 224	.08	14 385	.10
Total	4 851 454	6.62	3 680 857	6.36	1 170 597	7.60	1 190 506	8.33	1 195 457	8.89
Net Income before Extra & Delayed Items	9 283 138	12.67	7 086 563	12.24	2 196 575	14.28	1 904 277	13.30	1 739 856	12.94
Extra and Delayed Items—Net	30 332	.04	27 286	.05	3 046	.02	63 891	.45	11 425	.09
Net Income	9 313 470	12.71	7 113 849	12.29	2 199 621	14.28	1 968 168	13.75	1 751 281	13.03
Dividends										
Preferred	107 638	.15	48 296	.08	59 342	.39	63 218	.44	61 749	.46
Common	7 193 918	9.82	5 679 348	9.82	1 514 570	9.83	1 237 947	8.65	1 048 507	7.80
Total	$ 7 301 556	9.97	5 727 644	9.90	1 573 912	10.22	1 301 165	9.09	$1 110 256	8.26
Net Operating Income—in % Earned on Depreciated Plant in Service**	9.4		9.1		10.7		10.0		9.9	
Income Available for Fixed Charges—in % Earned on Total Capitalization**	11.9		11.6		13.0		11.8		11.5	

**Average

OPERATING REVENUE ACCOUNTS OF REPORTING COMPANIES

($000 Omitted)

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
LOCAL SERVICE REVENUES					
Subscribers' Station	$29 016 230	23 578 374	5 437 856	5 267 972	$4 951 037
Public Telephone	1 299 722	1 193 070	106 652	91 237	82 604
Service Stations	—	—	—	4 849	7 110
Local Private Line Service	941 715	850 331	91 384	78 102	70 800
Other Local Service	632 533	521 640	110 893	82 436	89 838
Total Local Service Revenues	31 890 200	26 143 415	5 746 785	5 524 596	5 201 389
NETWORK ACCESS REVENUES					
Interstate	15 223 877	12 366 909	2 856 968	—	—
Intrastate	5 922 141	4 180 236	1 741 905	—	—
All Other Type	911 448	627 971	283 477	—	—
Total Network Access Revenues	22 057 466	17 175 116	4 882 350	—	—
TOLL SERVICE REVENUES					
Message Tolls	9 079 220	6 228 543	2 850 677	6 617 511	6 529 067
Wide Area	1 479 179	1 343 538	135 641	689 536	552 679
Toll Private Line Services	1 297 165	1 066 017	231 148	236 692	200 929
Other Toll Service	445 028	398 792	46 236	43 613	25 098
	—	—	—	7 587 352	7 307 773
Settlement Affect with Connecting Companies	—	—	—	759 087	566 486
Total Toll Service Revenues	12 300 592	9 036 890	3 263 702	8 346 439	7 874 259
MISCELLANEOUS REVENUES					
Directory Advertising and Sales	3 241 542	2 643 382	598 160	519 674	463 670
Rent and Lease of 1x Facilities	1 579 211	904 697	674 514	43 829	34 989
General Services and Licenses and Other	2 700 782	2 374 715	326 067	35 366	27 587
Total Miscellaneous Revenues	7 521 535	5 922 794	1 598 741	598 869	526 246
UNCOLLECTIBLE REVENUES					
Uncollectible—Debit	498 884	410 649	88 235	160 517	156 645
TOTAL OPERATING REVENUES	$73 270 909	57 867 566	15 403 343	14 309 387	$13 445 249

Note: 1983 and 1982 under miscellaneous represents rent only.

DETAILS OF OPERATING TAXES OF REPORTING COMPANIES

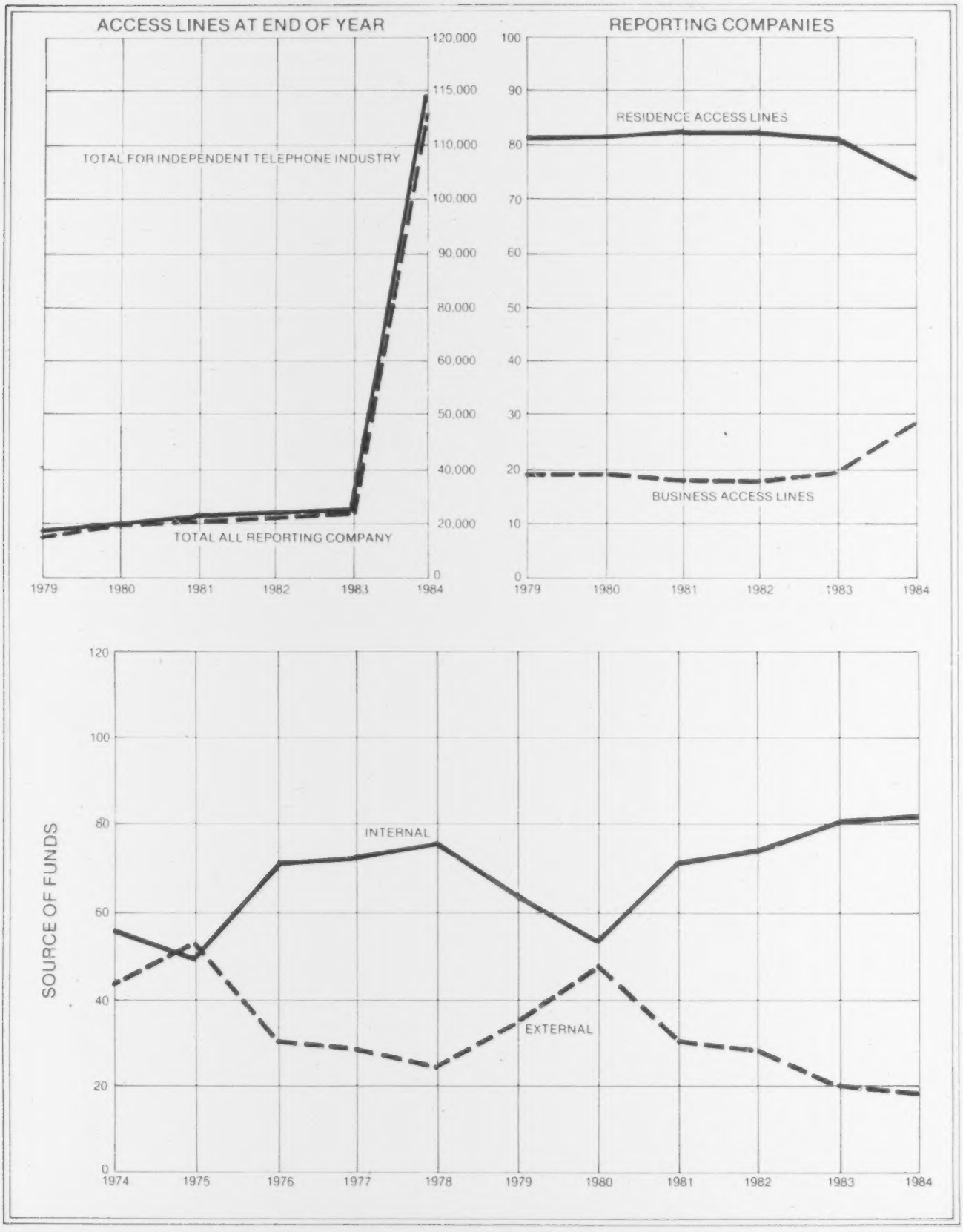
($000 Omitted)

	1984 Total Industry		1984 Bell Only		1984 Indept. Only		1983 Indept. Only		1982 Indept. Only	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Federal Income Taxes	$ 5 811 057	47.88	4 484 738	46.49	1 326 319	53.27	1 085 857	49.82	$ 938 078	48.49
State Income Taxes	680 572	5.61	512 216	5.31	168 356	6.76	137 316	6.30	112 307	5.81
Property Taxes	2 207 379	18.19	1 823 748	18.90	383 631	15.41	368 069	16.89	333 426	17.24
Gross Receipts Taxes	1 610 660	13.27	1 380 188	14.31	230 472	9.26	235 762	10.82	214 122	11.07
Total Employers Payroll Taxes	1 571 448	12.95	1 243 927	12.90	327 521	13.16	305 506	14.01	292 728	15.13
Other Miscellaneous Taxes	254 660	2.10	201 289	2.09	53 371	2.14	47 107	2.16	43 823	2.26
Total	$12 135 776	100.00	9 646 106	100.00	2 489 670	100.00	2 179 617	100.00	$1 934 484	100.00
Federal Income Taxes—Current	2 713 444		1 920 442		793 002		666 357		414 466	
Deferred Federal Income Tax	2 508 830		2 083 711		425 119		322 339		319 083	
Investment Credit (Net)	588 783		480 585		108 198		97 161		204 529	
Federal Income Taxes after Deductions	$5 811 057		4 484 738		1 326 319		1 085 857		$ 938 078	

COMPOSITE TELEPHONE PLANT OF REPORTING COMPANIES

($000 Omitted)

	1984 Total Industry		1984 Bell Only		1984 Indept. Only		1983 Indept. Only		1982 Indept. Only	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Organization	$ 3 607	—	—	—	3 607	—	3 604	.01	$ 4 003	.01
Franchises	2 346	—	1 542	—	804	—	1 289	—	1 320	—
Patent Rights	3 600	—	74	—	3 526	—	23	—	16	—
Land	1 079 009	.58	828 222	.58	250 787	.60	203 476	.50	194 612	.50
Buildings	14 871 387	7.99	12 105 128	8.40	2 766 259	6.57	2 409 757	5.96	2 281 861	5.88
Central Office Equipment	64 312 754	34.55	49 216 402	34.16	15 096 352	35.87	14 493 815	35.82	13 577 584	34.95
Station Apparatus	2 968 220	1.59	630 753	.44	2 337 467	5.55	2 816 273	6.96	3 167 253	8.15
Station Connections	15 137 884	8.13	12 070 653	8.38	3 067 231	7.29	3 961 100	9.79	3 869 200	9.96
Large Private Branch Exchanges	2 814 354	1.51	2 015 024	1.40	799 330	1.90	885 978	2.19	957 213	2.48
Pole Lines	3 969 932	2.13	2 822 111	1.96	1 147 821	2.73	1 011 740	2.50	966 502	2.49
Aerial Cable	19 480 980	10.47	14 992 298	10.41	4 488 682	10.66	3 943 236	9.75	3 715 572	9.58
Underground Cable	14 829 660	7.97	12 589 073	8.74	2 240 587	5.32	1 909 897	4.72	1 764 077	4.54
Buried Cable	25 226 323	13.55	18 357 272	12.74	6 869 051	16.32	6 176 282	15.26	5 838 490	15.03
Submarine Cable	148 810	.08	84 719	.06	64 091	.15	75 238	.19	54 428	.14
Aerial Wire	437 239	.24	245 221	.17	192 018	.46	185 697	.46	207 808	.54
Underground Conduit	9 978 461	5.36	8 816 182	6.12	1 162 279	2.76	1 095 015	2.71	1 032 017	2.66
Furniture and Office Equipment	7 368 542	3.96	6 721 634	4.67	646 908	1.54	418 663	1.03	351 969	.91
Vehicles and Other Work Equipment	3 460 052	1.86	2 548 371	1.77	911 681	2.17	867 180	2.14	846 202	2.18
Telephone Plant Acquired	58 005	.03	13 298	—	44 707	.11	5 180	.01	17 287	—
Telephone Plant Sold	37	—	—	—	37	—	—	—	9	—
Total Telephone Plant in Service	$186 151 202	100.00	144 057 977	100.00	42 093 225	100.00	40 463 443	100.00	$38 847 423	100.00
Telephone Plant Under Construction	5 636 182		3 815 899		1 820 283		1 787 298		1 604 435	
Property Held for Future Telephone Use	57 436		51 512		5 924		10 544		14 389	
Telephone Plant Acquisition Adjustment	69 376		4 017		65 359		70 220		78 668	
Telephone Plant Adjustment	5 455		—		5 455		9 771		3 648	
Less: Contributors to Plant (Credit)	335		—		335		261		150	
Total Telephone Plant	$191 919 316		147 929 405		43 989 911		42 341 015		$40 548 413	
Total Plant in Service per Access Line	$ 1 639		1 575		1 907		1 920		$ 1 837	
Gross Additions to Plant	17 774 072		13 467 112		4 306 960		4 209 647		4 598 759	
Less: Retirements of Plant	6 310 340		4 478 508		1 831 832		1 543 814		1 445 398	
Net Additions to Plant	$ 11 463 732		8 963 604		2 475 128		2 665 833		$ 3 153 361	


ACCESS LINES AT END OF YEAR
TOTAL FOR INDEPENDENT TELEPHONE INDUSTRY
TOTAL ALL REPORTING COMPANY
120,000
115,000
110,000
100,000
90,000
80,000
60,000
50,000
40,000
20,000
0
1979
1980
1981
1982
1983
1984
REPORTING COMPANIES
RESIDENCE ACCESS LINES
BUSINESS ACCESS LINES
100
90
80
70
60
50
40
30
20
10
0
SOURCE OF FUNDS
INTERNAL
EXTERNAL
120
100
80
60
40
20
0
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984

COMPOSITE PLANT, ACCESS LINES AND CALLING STATISTICS OF REPORTING COMPANIES

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Company Owned Access Lines					
Business — One party	19 939 404	16 947 672	2 991 732	2 845 394	2 741 313
Business — Two or more parties	188 820	140 698	48 122	48 123	59 282
PBX Trunk including Centrex	8 985 850	8 221 686	764 164	764 497	750 650
Residence — One party	78 648 062	62 535 677	16 112 385	15 039 672	14 822 373
Residence — Two or more parties	3 924 997	2 054 340	1 870 657	2 105 523	2 500 252
Public Telephones	1 803 501	1 545 351	258 150	251 554	250 943
Public Mobile	65 278	41 574	23 704	21 886	20 772
Total	113 555 912	91 486 998	22 068 914	21 076 649	21 145 585
Touch Tone Access Line	62 053 124	49 730 818	12 322 306	7 854 620	8 598 586
Average Co-owned Access Lines in Service During the Year	111 732 630	90 316 125	21 416 510	20 896 878	20 938 675

AVERAGE DAILY CALLS AND TOLL MESSAGES

Local Calls (000's)	1 103 785 614	921 453 039	182 333	179 052	179 336
Toll Messages (000's)	86 805 839	67 767 016	19 038	20 143	17 609
Local Calls per Average Main Line	9.88	10.20	8.51	8.57	8.56
Toll Messages per Average Main Line	777	750	889	964	841

REPORTING COMPANIES CENTRAL OFFICES BY NUMBER OF LINES

1984 — Total Industry

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 073	2 533	3 274	4 823	1 784	7 194	20 681

1984 — Bell Only

Number of Lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	253	587	1 083	2 155	1 026	5 989	11 093

1984 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	820	1 946	2 191	2 668	758	1 205	9 588

1983 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	868	2 079	2 330	2 662	749	1 150	9 848

1982 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 094	2 459	2 248	2 700	694	1 134	10 329

1981 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 159	2 363	2 396	2 595	630	1 063	10 256

1980 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 197	2 416	2 367	2 500	625	991	10 096

1979 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 343	2 445	2 231	2 460	646	927	10 052

1978 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 454	2 514	2 236	2 197	571	806	9 773

1977 — Independent Only

Number of lines	1-200	201-500	501-1 000	1 001-3 000	3 001-5 000	over 5000	Total
Central Offices	1 591	2 558	2 155	2 135	546	769	9 754

CENTRAL OFFICES BY TYPE

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Step by Step	9 323	3 721	5 602	6 175	6 905
Cross Bar	3 077	2 271	806	903	1 010
Analog	4 766	4 156	610	567	518
Digital	2 564	493	2 071	1 624	1 268
Other	951	452	499	579	628
Total	2 0681	11 093	9 588	9 848	10 329

COMPOSITE FINANCIAL SHEET OF REPORTING COMPANIES

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983	1982
Percent of Total Capitalization					
Bonds	11.8	5.7	32.8	33.5	34.0
Debentures and Notes (Over 12 months)	30.8	35.5	14.4	15.6	16.5
Preferred Stock	1.1	.6	2.7	2.9	3.1
Common Stock	38.6	42.5	25.3	24.7	24.3
Retained Earnings	14.9	12.6	22.8	20.8	19.0
Current Maturity (LTD) and Short Term Notes	2.8	3.1	2.0	2.5	3.1
Total	100.0	100.0	100.0	100.0	100.0
Bonds					
Average Coupon Rate*	None	None	12.73	12.07	12.64%
% of Depreciated Plant in Service	30.18%	23.51	36.3	37.8	38.6%
Preferred Stock					
Average Dividend Rate	8.30%	8.60	8.14	8.06	7.76%
Times Dividend Earned (After fixed charges)	$ 24.79	18.70	27.97	23.23	$ 21.56
Net Book Assets per $100	$1 416.80	1 291.00	1 435.71	1 295.45	$1 162.00
Common Stock Equity					
Average Earnings per $100	$ 14.38	13.67	17.39	16.38	$ 15.37
Average Dividend Paid per $100	$ 11.23	10.98	12.31	10.64	$ 9.54
Percentage of Earnings Paid Out in Dividends	78.1%	80.4	70.8	65.0	62.1%
Book Value per $100 of Par or Stated Value	$138.00	130.00	190.00	184.00	$178.00
% Return on Average Capitalization and Retained Earnings	11.3%	11.1	11.8	11.0	10.7%

*The average interest rate shown above is weighted average. (High for 1984 was 13.5%, Low 6.5%)

EMPLOYEES OF REPORTING COMPANIES

	Number of Employees (Thousands)	Total Payroll (Thousands)	Average Annual Payroll Per Employee	Average No. Access Lines Per Employee	Average Dollars of Investment Per Employee
1984 (Total Industry)	724	$22 111 599	$30 538	157	$257 094
1984 (Bell Only)	557	17 682 944	31 773	164	258 845
1984 (Indept. Only)	168	4 428 655	26 437	132	251 277
1983 (Indept. Only)	175	4 222 738	24 124	120	231 164
1982 (Indept. Only)	186	4 062 627	21 858	114	208 706
1981 (Indept. Only)	192	3 774 964	19 647	107	187 284
1980 (Indept. Only)	189	3 373 414	17 666	103	171 992
1979 (Indept. Only)	187	3 015 101	16 125	99	157 119
1978 (Indept. Only)	172	2 578 716	14 984	—	148 983
1977 (Indept. Only)	160	$ 2 218 474	$13 827	—	$144 871

PLANT, REVENUES, EXPENSES AND NET OPERATING INCOME PER ACCESS LINE FOR REPORTING COMPANIES*

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Plant					
Telephone Plant in Service	$1 639	1 575	1 907	1 920	$1 837
Depreciation Reserve	403	359	583	548	483
Telephone Plant in Service Less Reserve	1 236	1 216	1 324	1 372	1 354
Ratio—Depreciation Reserve to Plant in Service	24.6	22.8	30.6	28.5	26.3
Total Operating Revenues					
Local Service	285.42	289.46	268.34	264.37	248.41
Network Access	197.41	190.16	227.97	—	—
Toll Service	110.09	100.06	152.39	399.41	376.06
Miscellaneous	67.32	65.58	74.65	28.66	25.13
Uncollectable	4.46	4.55	4.12	7.68	7.48
Total	655.78	640.71	719.23	684.76	642.12
Operating Expenses and Taxes					
Maintenance	135.68	134.33	141.36	140.94	142.02
Depreciation	105.62	97.56	139.60	133.83	117.57
Traffic	25.31	24.65	28.10	27.64	27.86
Commercial	51.48	52.84	45.75	42.78	41.58
General Office Salaries and Expenses	46.47	45.34	51.22	48.37	45.22
Other	63.26	65.25	54.84	51.79	46.74
Taxes other than Federal Income Taxes	55.27	56.10	51.76	49.77	45.17
Federal Income Taxes	52.01	49.66	61.93	51.96	44.80
Total	535.10	525.73	574.56	547.08	510.96
Net Operating Income	120.68	114.98	144.67	137.68	131.16
Other Income (Non-operating)	5.84	4.24	12.56	10.42	9.02
Income Available for Fixed Charges	126.52	119.22	157.23	148.10	140.18
Interest on Other Deductions					
Interest on Funded Debt	39.83	37.35	50.29	51.68	49.68
Interest—Others	3.35	3.20	3.95	4.75	6.73
Amort. Debt Discount Premium & Exp. (Net) and Other Fixed Charges	.25	.21	.44	.54	.68
Total	43.43	40.76	54.68	56.97	57.09
Net Income before Extra & Delayed Items	83.09	78.46	102.55	91.13	83.09
Extra and Delayed Items—Net	.27	.30	.14	3.06	.55
Net Income	$ 83.36	78.76	102.69	94.19	$ 83.64
Dividends					
Preferred	.96	.53	2.77	3.03	2.95
Common	64.39	62.88	70.72	59.24	50.08
Total	$ 65.35	63.41	73.49	62.27	$ 53.03

*Profit and loss items are based on average access lines

SELECTED OPERATING RATIOS OF REPORTING COMPANIES

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Total Operating Revenues per $1 of Plant in Service (1)	.392	.397	.374	.364	.360
Total Operating Revenues per $1 of Depreciated Plant in Service (1)	.512	.507	.530	.501	.483
Operating Ratio (2)	73.7	74.3	71.3	72.3	72.6
Operating Expenses and Taxes (Excluding Federal Income Taxes) per $1 of Plant in Service (1)	.289	.298	.267	.263	.261
Net Operating Income per $1 of Plant (1)	.072	.071	.075	.073	.073
Net Operating Income per $1 of Depr. Plant (1)	.094	.091	.107	.101	.099
Maintenance—% of Plant in Service (1)	8.11	8.33	7.35	7.49	7.96
Maintenance—% of Total Operating Revenues	20.7	21.0	19.7	20.6	22.1
Depreciation—% of Plant in Service (1)	6.32	6.05	7.26	7.11	6.59
Depreciation and Maintenance—% of Total Operating Revenues	36.8	36.2	39.1	40.1	40.4
Commercial, General Office Salaries and Expenses, and Other Expenses (*)					
Per Average Access Line	161.21	163.44	151.80	142.94	133.53
% of Total Operating Revenues	24.6	25.5	21.1	20.9	20.8
% of Operating Expenses Excluding all Taxes and Depreciation	50.0	50.7	47.3	45.9	44.0

(1) Average Plant in Service
(2) Ratio of Operating Expenses before Federal Income Taxes to Total Operating Revenues
(*) Because of a variance of accounting distribution methods these three items have been considered together

COMPARISON OF REPORTING COMPANIES BY GROUP CLASSIFICATION

Effective January 1, 1952, the Federal Communications Commission changed the classification of telephone companies as follows:

Class A. Companies having annual operating revenues exceeding $250,000.

Class B. Companies having annual operating revenues exceeding $100,000 but not more than $250,000.

REPORTING COMPANIES AND ACCESS LINES BY GROUPS

			Companies	Access Lines
1984	Bell Co's		24	91 486 998
	Class A		611	22 058 785
	Class B		20	10 129
		Total	655	113 555 912
1983	Class A		656	21 065 984
	Class B		22	10 685
		Total	678	21 076 649
1982	Class A		715	21 129 171
	Class B		39	16 414
		Total	754	21 145 585
1981	Class A		720	20 534 852
	Class B		48	26 084
		Total	768	20 560 936
1980	Class A		700	19 411 939
	Class B		65	37 257
		Total	765	19 449 196

COMPARISON OF REPORTING COMPANIES BY GROUP CLASSIFICATION

CAPITALIZATION ($000 Omitted)

	1984 Total Industry	1984 Bell Only	1984 Indept. Only	1983 Indept. Only	1982 Indept. Only
Class A Companies					
Total Capitalization	$117 966 725	$ 91 377 044	$ 26 577 912	$ 26 494 776	$ 26 291 989
% Funded Debt Bonds	11.8	5.7	32.8	33.5	34.0
% Other Long Term Debt	30.8	35.5	14.4	15.6	16.5
% Preferred Stock	1.1	.6	2.7	2.9	3.1
% Common Stock	38.6	42.5	25.3	24.7	24.3
% Current Maturity (LTD) Short Term Notes	2.8	3.1	2.0	2.5	3.1
% Retained Earnings	14.9	12.6	22.8	20.8	19.0
Class B Companies					
Total Capitalization	None	None	$ 11 797	$ 11 705	$ 18 621
% Funded Debt Bonds	—	—	0	0	0
% Other Long Term Debt	—	—	46.6	47.6	50.2
% Preferred Stock	—	—	0	0	.4
% Common Stock	—	—	7.0	5.8	8.6
% Current Maturity (LTD) Short Term Notes	—	—	.6	4.1	5.3
% Retained Earnings	—	—	45.8	42.5	35.5

PLANT IN SERVICE AND DEPRECIATION RESERVE ($000 omitted)

Class A Plant	$ 186 138 297	$ 144 057 977	$ 42 080 320	$ 40 449 005	$ 38 824 587
Depreciation Reserve	45 742 263	32 883 715	12 858 548	11 546 879	10 211 231
% Reserve	24.6	22.8	30.6	28.5	26.3
Class B Plant	None	None	12 905	14 438	22 836
Depreciation Reserve	—	—	5 809	5 724	8 362
% Reserve	—	—	45.0	39.6	36.6

COMPARISON OF REVENUES, EXPENSES AND NET OPERATING INCOME PER ACCESS LINE

Class A and B Companies

	1984 Total Industry A	1984 Bell Only A	1984 Indept. Only A	1984 Indept. Only B	1983 Company Classification A	1983 Company Classification B	1982 Company Classification A	1982 Company Classification B
Operating Revenues								
Local Service	$ 285.42	289.46	281.50	113.81	264.44	135.44	248.50	$ 129.28
Network Access	197.41	190.16	239.18	58.24	–	–	–	–
Toll Service	110.09	100.06	159.80	204.59	399.48	255.74	376.17	237.23
Miscellaneous	67.32	65.58	78.32	13.70	28.67	8.46	25.14	10.19
Less: Uncollectibles	4.46	4.55	4.32	1.54	7.68	2.57	7.48	2.73
Total	$ 655.78	$ 640.71	754.48	388.80	684.91	397.07	642.33	$ 373.97
Operating Expenses and Taxes								
Maintenance	135.68	134.33	148.29	53.17	140.98	66.89	142.07	$ 75.03
Depreciation	105.62	97.56	146.44	74.62	133.86	79.04	117.61	76.64
Traffic	25.31	24.65	29.48	5.25	27.64	4.73	27.87	4.74
Commercial	51.48	52.84	48.00	25.15	42.79	23.16	41.59	23.18
General Off. Sal. & Exp.	46.47	45.34	53.74	54.75	48.36	57.47	45.21	51.65
Other	63.26	65.25	57.52	34.79	51.80	35.27	46.75	31.18
Taxes Other than F.I.	55.27	56.10	54.30	28.00	49.79	21.73	45.19	24.26
Federal Income Taxes	52.01	49.66	64.97	17.66	51.98	22.14	44.82	16.38
Total	$ 535.10	525.73	602.74	293.39	547.20	310.43	511.11	$ 303.06
Net Operating Income	$ 120.68	114.98	151.74	95.41	137.71	86.64	131.22	$ 70.91
Oper. Rev. per $1 of Plant (1)	.392	397	374	304	364	294	360	276
Oper. Ratio Before F.I. Taxes (2)	73.7	74.3	71.3	70.9	72.3	72.6	72.6	76.7
Oper. Exp. & Taxes (Excl. F.I. Taxes per $1 of Plant (1)	289	298	267	216	263	213	261	211
Net Oper. Inc. per $1 of Plant (1)	072	071	075	075	073	064	073	052
Net Oper. Inc. per $1 of Depr. Plant (1)	094	091	107	131	101	098	099	088
Maintenance — % of Plant (1)	8.11	8.33	7.35	4.17	7.49	4.95	7.96	5.53
Maintenance — % of Total Rev.	20.7	21.0	19.7	13.68	20.6	16.8	22.1	20.1
Depreciation — % of Plant (1)	6.32	60.5	7.26	5.85	7.11	5.84	6.59	5.65
Depr. and Maintanance % of Total Operating Revenues	36.8	36.2	39.1	32.9	40.1	36.8	40.4	40.6

(1) Average Plant in Service
(2) Ratio of Operating Expenses to Total Operating Revenues

R.E.A. LOAN ACTIVITIES
RURAL TELEPHONE PROGRAM*

As of end of Month		Loan Approved (net) ($000)	Funds Advanced Cumulative ($000)	Number Borrowers	Number of Subscribers To Receive Improved Service	To Receive Initial Service	Total
December 1984	REA	4 741 862	4 002 328	1 001	1 850 871	3 546 202	5 397 073
	RTB	2 000 438	1 421 596	546			
December 1983	REA	4 539 571	3 819 768	1 002	1 835 859	3 394 563	5 230 422
	RTB	1 871 667	1 339 880	524			
December 1982	REA	4 326 561	3 639 548	994	1 812 556	3 305 961	5 118 517
	RTB	1 725 582	1 242 381	504			
December 1981	REA	4 076 323	3 415 708	978	1 764 016	3 150 062	4 914 078
	RTB	1 529 474	1 136 115	467			
December 1980	REA	3 844 840	3 150 443	962	1 692 092	3 027 195	4 719 287
	RTB	1 388 221	997 293	443			
December 1979	REA	3 606 093	2 892 056	954	1 657 622	2 882 568	4 540 190
	RTB	1 261 805	793 682	426			
December 1978	REA	3 354 379	2 674 843	942	1 615 965	2 754 298	4 370 263
	RTB	1 120 500	660 120	408			
December 1977	REA	3 034 007	2 526 906	930	1 544 766	2 573 780	4 118 546
	RTB	979 228	515 020	387			
December 1976	REA	2 851 239	2 370 610	922	1 488 386	2 418 197	3 906 583
	RTB	767 844	429 329	371			
December 1975	REA	2 575 512	2 211 707	908	1 420 361	2 140 171	3 560 532
	RTB	617 607	334 737	340			

BY TYPE OF BORROWER

December 1984						
Cooperatives	2 493 141	2 028 179	256	321 721	857 962	1 179 683
Commercial	4 062 974	3 235 604	772	1 476 421	2 610 658	4 087 079
Public Bodies	186 185	160 141	4	52 729	77 582	130 311
Total	6 742 300	5 423 924	1 032*	1 850 871	3 546 202	5 397 073

*Includes 31 borrowers that have loans only from RTB

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FOREWORD

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